

AR79

*Exquisite Form*<sup>®</sup>

**BRASSIERE (CANADA) LIMITED**

*and subsidiary companies*

**ANNUAL  
REPORT  
1967**



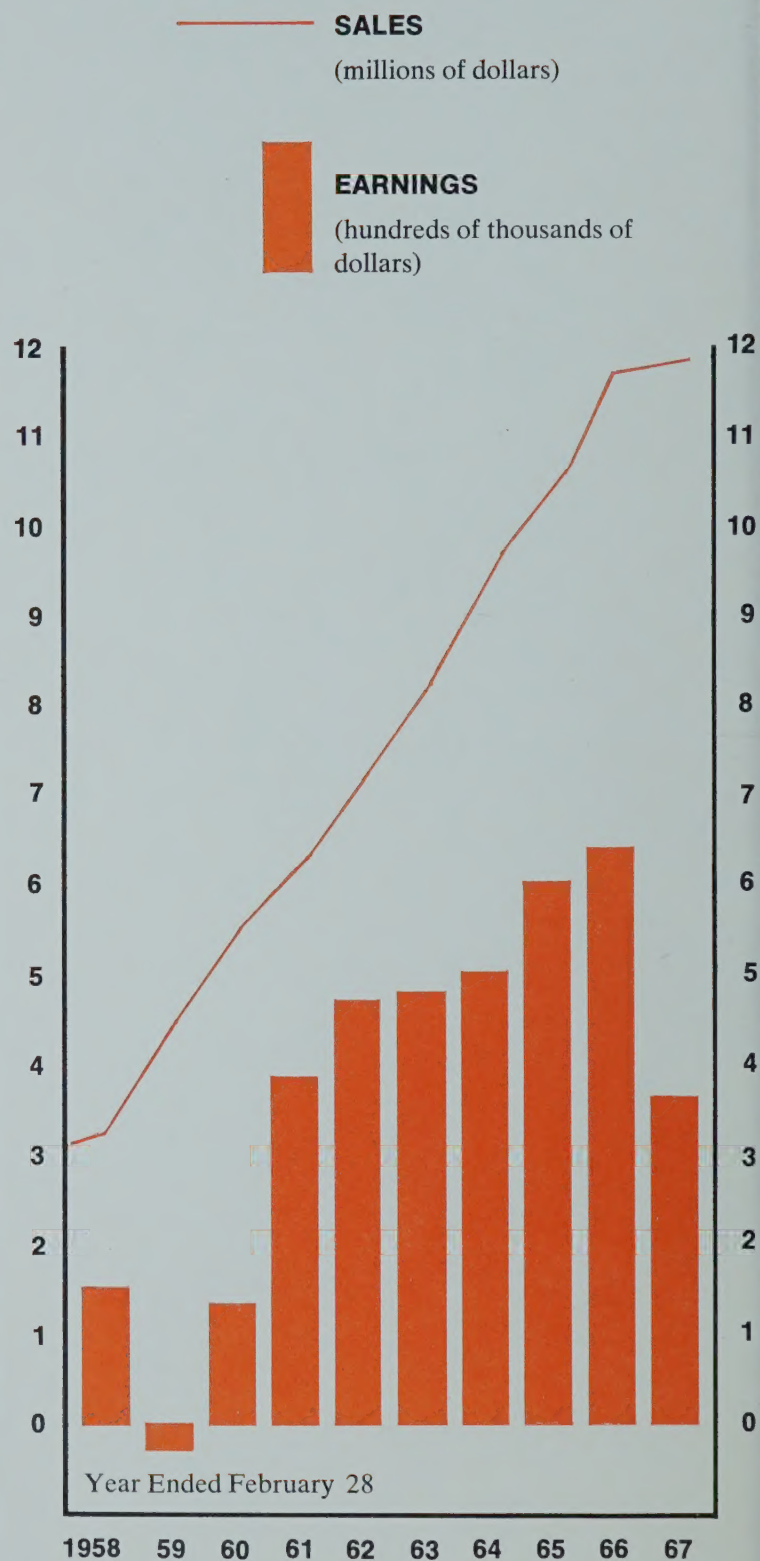
## COMPARATIVE FINANCIAL HIGHLIGHTS

	<u>1967</u>	<u>1966</u>
Sales .....	\$ 11,746,377.	\$ 11,687,567.
Net Earnings .....	\$ 358,634.	\$ 638,172.
Net Earnings per Common Share after First Preference Share Dividends .....	\$ .66*	\$ 1.14*
Dividends per Common Share .....	\$ .48**	\$ .70
Working Capital .....	\$ 3,230,580.	\$ 3,115,435.
Working Capital Ratio .....	1.97 to 1	1.91 to 1
Retained Earnings .....	\$ 2,398,677.	\$ 2,283,979.

\*Net Earnings per Common Share in 1966 have been adjusted to reflect the larger number of shares outstanding as at February 28, 1967.

\*\*Includes \$.13 Common Share stock dividend in 1967.

## TEN YEAR SUMMARY





# EXQUISITE FORM BRASSIERE (CANADA) LIMITED

## REPORT TO THE SHAREHOLDERS

Your Directors submit the Annual Report and Consolidated Financial Statements of your Company and its subsidiary companies for the year ended February 28th, 1967.

During the year, several situations developed which could not have been fully anticipated by management. Prior to the commencement of the past year, there was considerable justification for expecting sales and earnings greater than were actually achieved. As a result of higher labour and material costs experienced throughout the industry and the general tightening economy that prevailed, the optimistic prediction made for the year just ended did not materialize. In addition, the operation of our subsidiary companies, Lady Manhattan (Canada) Limited and Gant Shirtmakers of Canada, Limited, were relocated to new combined premises, to enjoy more efficient and economical control. The interruption of operations while moving and the delayed recommencement of productivity resulted in lost sales for both subsidiaries. These factors all contributed to a reduction in earnings.

### SALES:

Consolidated net sales amounted to \$11,746,377 compared to \$11,687,567 for the previous year.

### EARNINGS:

The net profit for the year of \$358,634 compared with the net profit in 1966 of \$638,172 after provision for depreciation of \$200,474 in 1967, and \$179,744 in 1966.

### DIVIDENDS:

Cash dividends were omitted on common shares after payment of dividends amounting to \$254,513 for the year. A special stock dividend of 5 per cent per common share resulted in the issuance of an additional 24,488 $\frac{1}{4}$  shares from authorized capital stock. Dividends were cut back to channel more of the Company's ready cash into current operations.

Preference share dividends declared and paid amounted to \$21,052.

### WORKING CAPITAL:

By reducing dividend payments and capital expenditures, working capital as at February 28th, 1967, was \$3,230,580, an increase of \$115,145 during the year.

### OPERATIONS:

#### *Exquisite Form*

Exquisite Form products continued to receive wide acceptance, particularly among its staple lines of foundation garments and brassieres. These items enjoy a high degree of customer loyalty and a steady volume of repeat business. Other brassiere and girdle styles are more susceptible to fashion trends and are revised periodically. Among the new styles we introduced during the year, there was a range of brassieres, girdles, half-slips, bikini pants and garter belts that we called the "In-Group". These are coordinated fashions in prints and colours that have captured the fancy of teens and adults. They were introduced this spring with encouraging response.

Through the Research and Development program of



our associated company, Exquisite Form Industries Inc., a patented innovation for brassieres has been perfected. We have acquired the rights to manufacture this product and are presently introducing it to the market. Called "Adapt-A-Back", this brassiere incorporates the unique advantage of being adjustable in the back measurement without changing the cup size. It is a major advance in bra design.

Subsidiary operations in Venezuela and Colombia suffered from a slump in the economies of these South American countries. Consumer spending dropped drastically, and manufacturers of soft goods found it increasingly difficult to maintain a fair share of the total market. Our plant in Colombia also experienced problems receiving supplies for its newly installed knitting division. These circumstances are expected to be alleviated during the coming year.

Exquisite Form Brassiere (Great Britain) Limited, in which we hold a 50% interest, fared somewhat less profitably than in the previous year. Uncertainties in the British economy that precipitated a general tightening of spending seem to have been relaxed in the past few weeks, and we look forward to improvement over the previous year.

#### **LADY MANHATTAN AND GANT:**

As of March 1, 1967, we acquired the remaining 25% interest in Lady Manhattan (Canada) Limited, giving us full ownership of this subsidiary.

Lady Manhattan and Gant relocated their operations into common premises last August — a move which

increased the floor space available to these subsidiaries. Production was disrupted during the period of relocation, and start-up costs and the training of new operators delayed our return to maximum efficiency. We are now in full production and operating efficiently.

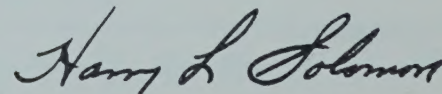
To our well-established lines of ladies' shirts, we have added dresses, skirts, and sportswear, all bearing the famous "Lady Manhattan" trade name. It is our intention to concentrate on achieving deep market penetration for Lady Manhattan. We have an excellent range of good quality products that are capable of establishing perennial appeal among Canadian women of all ages.

#### **OUTLOOK:**

The Company, having overcome certain problems of the past, now looks forward to a favourable year. The Company will continue its policy of aggressive merchandising and advertising which, together with updated designs and styling features, should contribute to the Company's continued growth and success.

We are grateful to all our employees for their efforts during the year, and to our shareholders for their continued loyalty and support.

Submitted on behalf of the Board of Directors.



HARRY L. SOLOMON  
*President*

June 15, 1967



*Exquisite Form*



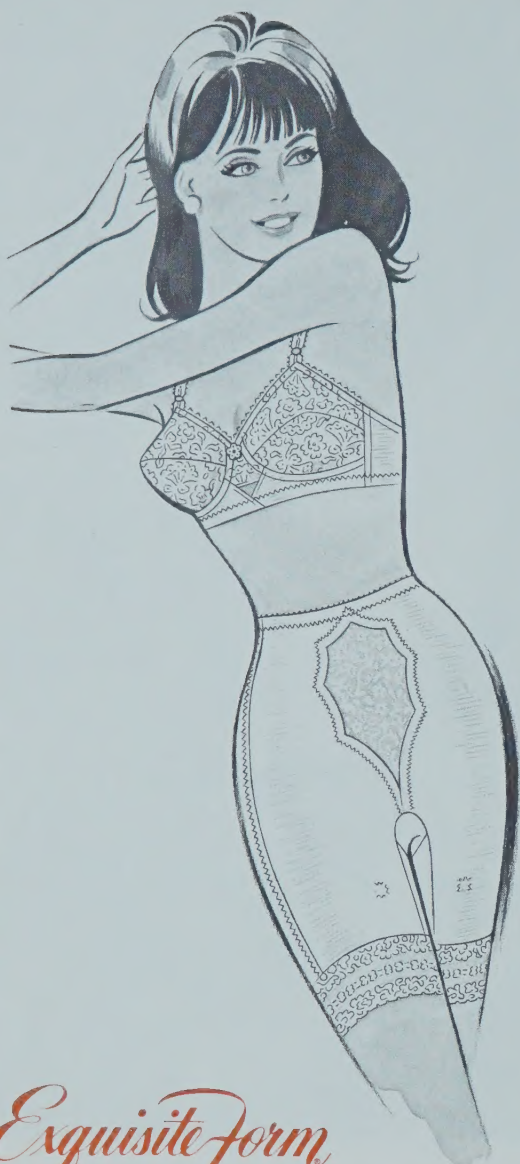
### **ADAPT-A-BACK\***

Exquisite Form brings another design "first" to the industry. We think it is revolutionary! Women will too when they see it this summer in department stores, specialty shops and ladies' ready-to-wear stores across Canada. "Adapt-A-Back" represents a major change in brassiere design. By choosing this patented "Adapt-A-Back" invention, the wearer can adjust her brassiere from ½" to 4" larger or smaller to give personalized fit all round. This newly invented design has been introduced to markets served by our affiliated companies, and has already met with overwhelming success.

\*Patent pending







*Exquisite Form*

Exquisite Form brassieres and girdles are designed to reflect the latest trends in style, colour and fabrics. Seasonal colour tones and prints, very popular at the present time, have been included in Exquisite Form's wide range of products for every woman's undergarment wardrobe. Our new "In-Group" range of bras, girdles, half-slips, bikinis and garter belts, in all-over prints, have made considerable sales impact on the market.

We have always been among the first to implement the latest design trends in our products and the name of Exquisite Form has become known for its fashion-conscious approach to the brassiere and girdle industry.



*Lady Manhattan* SHIRTS

Lady Manhattan shirts know no season. They come on strong all year round. They go to schools, offices, homes, movies and camp fires. They play tennis, bowl, golf, and ride horses. They also curl up with good books and take brisk walks in the woods.

Wherever you are, there's a Lady Manhattan enjoying life to the fullest somewhere nearby.

Shirts now belong to a fully coordinated Lady Manhattan family that includes skirts, slacks, bermudas, and jackets. Prints accentuate the plain colours, and solids pick up the predominant shades in the prints. Print designs and colours are created in New York especially for Lady Manhattan.





## *Lady Manhattan®* DRESSES

Lady Manhattan, famous for its ladies' shirts is now manufacturing shirt-dresses in Canada. These are very popular for their versatility and casual comfort, and they enjoy a wide market among women of all ages.

Shirt-dresses were introduced this year in Canada, although the American Company has marketed similar products for many years. We are encouraged by the degree of acceptance they have achieved and we are confident that all five seasons — spring, summer, holiday, summer-transition and fall — will meet with growing sales success.



## GANT SHIRTMAKERS

We are shirtmakers for gentlemen, too. Gant shirts have a reputation for good fit, good looks and good quality. Gant's traditionally tailored products, including the famous Button Down, tailored with singular precision, the trim Hugger Body and Weekender sport shirts, are marketed throughout Canada, widely supported by the American company's national advertising campaign. Our manufacturing facilities maintain the high standard and quality workmanship for which Gant has become widely recognized.

**EXQUISITE FORM BRASS**(Incorporated under the law of the Province of Ontario  
and its subsidiary companies)**CONSOLIDATED BALANCE SHEET**

(with comparative figures for 1966)

**ASSETS****CURRENT ASSETS**

	<u>1967</u>	<u>1966</u>
Cash on Hand and in Banks .....	\$ 73,109	\$ 33,731
Accounts Receivable after Allowance for Doubtful Accounts (Note 2) .....	2,619,862	2,702,127
Income Taxes Recoverable .....	48,967	—
Inventories — at Lower of Cost and Net Realizable Value .....	3,732,125	3,719,966
Prepaid Expenses .....	109,835	82,882
	<u>\$ 6,583,898</u>	<u>\$ 6,538,706</u>
SPECIAL REFUNDABLE INCOME TAX — CANADA .....	<u>\$ 19,221</u>	<u>\$ —</u>

**FIXED ASSETS**

Land and Buildings — at cost .....	\$ 651,687	\$ 626,668
Equipment, Display Fixtures, Leasehold Improvements and Automotive Equipment — at cost .....	1,677,653	1,500,769
Patent — at cost .....	150,000	150,000
	<u>\$ 2,479,340</u>	<u>\$ 2,277,437</u>
Less: Accumulated Depreciation .....	1,226,787	1,057,300
	<u>\$ 1,252,553</u>	<u>\$ 1,220,137</u>

**OTHER ASSETS**

Excess of Cost over Book Value of Shares in Subsidiary Companies .....	\$ 138,359	\$ 138,359
Investments and Advances — Exquisite Form Espana S.A. (Note 3) .....	37,857	46,315
— Exquisite Form Brassiere (Great Britain) Limited (Note 4) .....	1,719,909	1,753,301
— Lawsonit Products Limited (Note 5) .....	5,112	11,051
— Other — at cost .....	28,747	29,747
Deferred Expenses Unamortized — Pre-production and Promotion .....	234,994	245,767
Unamortized Debenture Discount (Note 6) .....	72,844	79,565
	<u>\$ 2,237,822</u>	<u>\$ 2,304,105</u>
	<u><u>\$10,093,494</u></u>	<u><u>\$10,062,948</u></u>

Approved on behalf of the Board:

GARSON REINER, *Director*  
HARRY L. SOLOMON, *Director*

The accompanying notes form an integral part of these financial statements.



# RE (CANADA) LIMITED

of the Province of Ontario)

panies (Note 1)

## ET AS AT FEBRUARY 28, 1967

ures for 1966)

### LIABILITIES

#### CURRENT LIABILITIES

	1967	1966
Bank Overdrafts .....	\$ 32,869	\$ 80,408
Bank Loans — secured (Note 7) .....	1,870,155	1,556,277
Accounts Payable and Accrued Liabilities .....	939,653	1,011,330
Notes Payable .....	103,790	110,563
Dividends Payable .....	4,772	90,087
Advances from Affiliates .....	6,229	14,690
Income Taxes Payable .....	256,080	380,938
Current Portion of Long Term Debt .....	139,770	178,978
	<u>\$ 3,353,318</u>	<u>\$ 3,423,271</u>

#### LONG TERM DEBT

Note and Loan Payable .....	\$ 104,679	\$ 164,179
Mortgage Payable — repayable in German D. Marks .....	111,922	57,704
6¼ % Sinking Fund Debentures, Series A, maturing December 1, 1982 (Note 6) .....	1,775,000	1,850,000
	<u>\$ 1,991,601</u>	<u>\$ 2,071,883</u>

ACCUMULATED TAX REDUCTIONS APPLICABLE TO FUTURE YEARS (NOTE 8) .....	\$ 28,500	\$ 26,500
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MINORITY INTEREST IN A SUBSIDIARY (NOTES 1 AND 9) .....	\$ 4,397	\$ 16,898
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Total Liabilities .....	<u>\$ 5,377,816</u>	<u>\$ 5,538,552</u>
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#### SHAREHOLDERS' EQUITY

Capital Stock (Notes 10 and 11)

##### Authorized

181,814	First Preference Shares of the par value of \$10 each, issuable in series .....	\$1,818,140
20,000	5% Non-Cumulative Non-Voting Redeemable Second Preference Shares of the par value of \$50 each .....	\$1,000,000
1,117,812	Common Shares without par value	

##### Issued and Fully Paid

31,814	6% Cumulative Redeemable Convertible First Preference Shares, Series A (1966 — 36,889) .....	\$ 318,140	\$ 368,890
13,000	Second Preference Shares .....	650,000	650,000
514,253¼	Common Shares (1966 — 482,978 ⅓) .....	1,348,861	1,221,527
		<u>\$ 2,317,001</u>	<u>\$ 2,240,417</u>

Retained Earnings .....	2,398,677	2,283,979
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Total Shareholders' Equity .....	<u>\$ 4,715,678</u>	<u>\$ 4,524,396</u>
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	<u>\$10,093,494</u>	<u>\$10,062,948</u>
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## EXQUISITE FORM BRASSIERE (CANADA) LIMITED

(Incorporated under the laws of the Province of Ontario) and its subsidiary companies (Note 1)

### CONSOLIDATED STATEMENT OF EARNINGS

for the year ended February 28, 1967 (with comparative figures for 1966)

	1967	1966
Sales .....	<u>\$11,746,377</u>	<u>\$11,687,567</u>
Net Operating Income (Note 13) .....	\$ 960,022	\$ 1,405,027
Add: Income from Investments — Affiliated Companies (Notes 3, 4 and 5) .....	59,098	80,642
— Other .....	9,695	13,574
Net Earnings Before the Undernoted Items .....	<u>\$ 1,028,815</u>	<u>\$ 1,499,243</u>
Less: Depreciation .....	\$ 200,474	\$ 179,744
Sinking Fund Debenture Interest (Note 6) .....	117,586	119,825
Debenture Discount Amortization (Note 6) .....	4,721	4,840
Income Taxes (Note 8) .....	359,885	546,014
Minority Interest in Subsidiary Profits (Losses) (Note 1) .....	(12,485)	10,648
	<u>\$ 670,181</u>	<u>\$ 861,071</u>
Net Profit for the Year		
(to Consolidated Statement of Retained Earnings) .....	<u>\$ 358,634</u>	<u>\$ 638,172</u>

### CONSOLIDATED STATEMENT OF RETAINED EARNINGS

for the year ended February 28, 1967 (with comparative figures for 1966)

	1967	1966
Balance at Beginning of Year .....	\$ 2,283,979	\$ 2,472,315
Add: Net Profit for the Year .....	358,634	638,172
Transfer from Series A First Preference Share Purchase Fund (Note 11) .....	—	107,750
Prior Years' and Other Adjustments (Net) .....	9,984	—
	<u>\$ 2,652,597</u>	<u>\$ 3,218,237</u>
Less: Dividends — Series A First Preference Shares (1967 - 60¢) (1966 - 60¢) ....	\$ 20,291	\$ 50,745
— Common Shares — Cash (1967 - 35¢) (1966 - 70¢) .....	169,960	302,897
— 5% Stock Dividend (13¢) (Note 10) ....	63,669	—
Prior Years' and Other Adjustments (Net) .....	—	34,752
Venezuelan Exchange Adjustment .....	—	545,864
	<u>\$ 253,920</u>	<u>\$ 934,258</u>
Balance at End of Year		
(to Consolidated Balance Sheet) .....	<u>\$ 2,398,677</u>	<u>\$ 2,283,979</u>

The accompanying notes form an integral part of the financial statements



# CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended February 28, 1967 (with comparative figures for 1966)

Funds were provided from:

	1967	1966
Operations		
— net profit for the year .....	\$ 358,634	\$ 638,172
— depreciation and amortization .....	200,474	179,744
— debenture discount amortization (Note 6) .....	4,721	4,840
	<u>\$ 563,829</u>	<u>\$ 822,756</u>
Less: — income from investments not received in cash (Notes 3, 4 and 5) .....	\$ 59,098	\$ 80,642
— minority interest in subsidiary loss (profit) (Note 1) .....	12,485	(10,648)
	<u>\$ 71,583</u>	<u>\$ 69,994</u>
	<u>\$ 492,246</u>	<u>\$ 752,762</u>
Increase in mortgage (Net) — Germany .....	54,218	(15,701)
Employees' stock options exercised (Note 11) .....	12,915	87,507
Investments and advances (Net) in:		
— Exquisite Form Brassiere (Great Britain) Limited (Note 4) .....	89,331	(3,646)
— Lawsonit Products Limited (Note 5) .....	7,071	(9,618)
— Exquisite Form Espana S.A. (Note 3) .....	10,485	—
— Lady Manhattan (Canada) Limited (Note 1) .....	—	6,250
	<u>\$ 666,266</u>	<u>\$ 817,554</u>

Funds were applied to:

Purchase of fixed assets (Net) .....	\$ 201,903	\$ 218,202
Repurchase of sinking fund debentures (Note 6) .....	71,500	49,500
Excess of cost over book value of shares in		
Lady Manhattan (Canada) Limited (Note 1) .....	—	95,819
Special refundable income tax — Canada .....	19,221	—
Repayment of note and loan payable .....	59,500	(164,179)
Cash dividends to shareholders — preferred .....	20,291	50,745
— common .....	169,960	302,897
Other (Net) .....	8,746	85,531
	<u>\$ 551,121</u>	<u>\$ 638,515</u>
INCREASE IN WORKING CAPITAL .....	<u>\$ 115,145</u>	<u>\$ 179,039</u>
Working Capital — Opening Balance .....	\$3,115,435	\$3,274,497
— Closing Balance .....	3,230,580	3,115,435
	<u>\$ 115,145</u>	<u>\$ (159,062)</u>
Add: Venezuelan Exchange Adjustment Applicable to Working Capital .....	—	338,101
INCREASE IN WORKING CAPITAL .....	<u>\$ 115,145</u>	<u>\$ 179,039</u>

## AUDITORS' REPORT

To the Shareholders of  
Exquisite Form Brassiere (Canada) Limited:

We have examined the consolidated balance sheet of Exquisite Form Brassiere (Canada) Limited as at February 28, 1967 and the consolidated statements of earnings and retained earnings for the year ended on that date. Our examination of the financial statements of Exquisite Form Brassiere (Canada) Limited (the parent company) and those subsidiaries of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. We have relied on the reports of the auditors who have examined the financial statements of the other subsidiaries.

In our opinion the accompanying consolidated balance sheet and consolidated statements of earnings and retained earnings present fairly the financial position of the companies as at February 28, 1967 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination also included the accompanying consolidated statement of source and application of funds which, in our opinion, when considered in relation to the aforementioned financial statements, presents fairly the sources and applications of funds of the Company and its subsidiary companies for the year ended February 28, 1967.

Toronto, Canada  
May 31, 1967.

WM. EISENBERG & CO.  
Chartered Accountants

The accompanying notes form an integral part of the financial statements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

as at February 28, 1967

### 1. Subsidiary Companies — Consolidated Brassieres and Girdles — 100%

- Exquisite Form Brassiere Ltd. G.m.b.H.  
— West Germany
- Exquisite Form Brassiere de Venezuela, C.A.  
— Venezuela
- Exquisite Form Brassiere de Colombia Ltda.  
— Colombia
- Feminine Form Miederwaren G.m.b.H.—West  
Germany (commenced operations January 12,  
1967 and included for the first time)

### Textiles — 100%

- Malibu Fabrics of Canada Ltd. — Quebec
- Elasticos de Venezuela C.A. — Venezuela

### Men's Shirts and Underwear — 100%

- Gant Shirtmakers of Canada, Limited — Ontario  
(name changed by Supplementary Letters Patent  
during 1966 fiscal year from Dunley Shirt Can-  
ada Limited)

### Ladies' Shirts, Sportswear and Dresses — 75%

- Lady Manhattan (Canada) Limited — Ontario  
(acquired April 1, 1965 and included for the first  
time in the 1966 fiscal year) (See also Note 9)

All significant intercompany loans and transactions have been eliminated on consolidation. Foreign currencies have been translated into Canadian funds at free rates on the following bases:

Current Assets, Current Liabilities and Long Term Debt —  
at the prevailing rate on February 28, 1967.

Fixed Assets and Other Assets — at the average cost in  
Canadian funds in the period in which acquired or in-  
curred.

Profit and Loss Accounts — at the average rate for the  
year.

Colombia has certain exchange restrictions but its currency is convertible into Canadian dollars at free rates of exchange upon approval by the Central Bank of Colombia.

The consolidated financial statements for the year ended February 28, 1966 are shown for comparative purposes only, and should be read in conjunction with the notes to the consolidated financial statements in the annual report for that year.

### 2. Accounts Receivable

Included in this are accounts in Venezuela totalling approximately \$118,000 that have taken extended credit compared to Canadian practice. The auditors of this subsidiary did not consider it necessary to qualify their report for any part of this amount.

### 3. Investment and Advances — Exquisite Form Espana S.A. — Spain (brassieres and girdles) — 37½ %

The Company's share of the unaudited net profit of this company was \$1,883 for the year ended February 28, 1967 and \$10,783 to date. Of these amounts, only the dividend of \$2,027 declared in the current year has been included in the consolidated statement of earnings.

### 4. Investment and Advances — Exquisite Form Brassiere (Great Britain) Limited — England (brassieres and girdles) — 50%

The Company's share of the earnings of this company have been included in the attached consolidated statement of earnings, and its investment in this company is carried at its cost plus the Company's share of the earnings to date, less dividends received.

### 5. Investment and Advances — Lawsonit Products Limited — Ontario (textiles) — 50%

The Company's share of the earnings of this company have been included in the attached consolidated statement of earnings, and its investment in this company is carried at its cost plus the Company's share of the earnings to date, less dividends received.

### 6. 6¼ % Sinking Fund Debentures, Series A

These 6¼ % Sinking Fund Debentures, Series A were issued under a trust indenture dated November 15, 1962 which provided for the following conditions, inter alia:

- (a) The redemption prior to maturity at the Company's option at any time in whole or from time to time in part on not less than 30 days' prior notice on the following bases: (i) out of sinking fund moneys, at the principal amount thereof; and (ii) otherwise than out of sinking fund moneys, at the option of the Company, at the principal amount thereof plus a premium of 6¼ % of such amount if redeemed on or before December 1, 1963, such premium thereafter decreasing .33 of 1% of such principal amount for each year commenced or elapsed after December 1, 1963 to the date specified for redemption up to and including the year commencing December 2, 1980 and after December 1, 1981 and prior to maturity at the principal amount thereof; together in all cases with accrued interest to the date specified for redemption.
- (b) The establishment of a sinking fund for the retirement of \$50,000 aggregate principal amount of Series A Debentures on December 1 in each of the years 1964 to 1966 inclusive, \$75,000 aggregate principal amount of Series A Debentures on December 1 in each of the years 1967 to 1969 inclusive, and \$100,000 aggregate principal



amount of Series A Debentures on December 1 in each of the years 1970 to 1981 inclusive.

7. Bank Loans — secured

The accounts receivable and inventories of the Company and its subsidiaries have been pledged as security for these loans.

8. Accumulated Tax Reductions Applicable to Future Years

For Canadian income tax purposes, the Company has claimed maximum capital cost allowances which are in excess of the depreciation recorded in the accounts. The resulting deferred taxes of \$2,000 for the year (1966 — \$8,500) and of \$28,500 to date are applicable to those future periods in which the amounts claimed for Canadian income tax purposes will be less than the depreciation recorded in the accounts.

9. Lady Manhattan (Canada) Limited

Subsequent to the year end, the Company purchased the 25% minority interest in this subsidiary for approximately book value. The purchase price is payable in 36 equal monthly payments of principal and interest of \$2,933 commencing April, 1967.

10. 5% Common Share Stock Dividend

The Company declared a 5% stock dividend on its issued and outstanding common shares payable January 2, 1967. There were 24,488  $\frac{1}{4}$  common shares issued for this stock dividend at a value of \$2.60 per common share.

11. Capital Stock

Each Series A First Preference Share shall be convertible at the option of the holder into fully paid and non-assessable Common Shares of the Company as follows (after adjusting for the 5% stock dividend of January 2, 1967 — see Note 10)

- on or before December 1, 1967  $\frac{273}{300}$  of a Common Share
- on or before December 1, 1968  $\frac{252}{300}$  of a Common Share
- on or before December 1, 1969  $\frac{231}{300}$  of a Common Share
- on or before December 1, 1970  $\frac{210}{300}$  of a Common Share

During the 1967 fiscal year, 5,075 Series A First Preference Shares were converted into 4,736  $\frac{3}{4}$  Common Shares. The conversion of 118,186 Series A First Preference Shares to February 28, 1967 into 117,812 Common Shares has reduced the number of authorized and issued First Preference Shares and has increased the number of authorized and issued Common Shares accordingly.

So long as any of the Series A Preference Shares are outstanding and subject to certain provisions the Company will on the first day of April, 1963 and quarter-yearly thereafter enter on its books to the credit of a purchase fund for the purchase, subject to certain provisions, of Series A Preference Shares for cancellation (if obtainable) an amount equal to one and one-quarter per cent ( $1\frac{1}{4}\%$ ) of the aggregate par value of the greatest number of Series A Preference Shares theretofore issued. To February 28, 1967, no Series A Preference Shares had been purchased for cancellation, but the Company has elected to apply the conversions of the Series A First Preference Shares (as shown above) against its requirements under this purchase fund.

So long as any of the Series A Preference Shares are outstanding the Company shall not pay any dividends on shares ranking junior to the Series A Preference Shares unless certain provisions are met.

On April 25, 1962, the Company authorized the granting to key employees and other persons, of options to purchase an aggregate of 20,000 Common Shares of the Company. Each option was cumulatively exercisable over 5 years at a price of \$6.30 per Common Share in progressive annual instalments of 20% of the number of shares optioned. 2,050 options were exercised during the current year. Of the 4,060 options remaining at February 28, 1967, 400 were exercised and 3,660 expired on April 25, 1967.

105,000 Common Shares (after adjusting for the 5% stock dividend of January 2, 1967 — see Note 10) will be reserved for the exercise of outstanding Common Share Purchase Warrants issued with the  $6\frac{1}{4}\%$  Sinking Fund Debentures (Note 6). Such warrants will entitle the bearers thereof to purchase 1-1/20 Common Shares for

- \$13.00 on or before December 1, 1967
- \$14.00 on or before December 1, 1968
- \$15.00 on or before December 1, 1969

No warrants had been exercised to February 28, 1967.

12. Long Term Leases

The Company and its subsidiaries have entered into leases expiring between 1969 through 1982, depending upon the exercise of certain options, with a maximum rental payable in any one year of \$191,400. During the year ended February 28, 1967, the Company received rental income of \$16,213 for a portion of their premises.

13. Executive Remuneration

Aggregate direct remuneration paid to directors and senior officers in 1967 totalled \$172,000.





## INTERNATIONAL OPERATIONS

### CANADA

**Exquisite Form Brassiere (Canada) Limited**

215 Spadina Avenue  
Toronto, Ontario

**Lady Manhattan (Canada) Limited**

174 Spadina Avenue  
Toronto, Ontario

**Gant Shirtmakers of Canada, Limited**

174 Spadina Avenue  
Toronto, Ontario

**Lawsonit Products Limited**

215 Spadina Avenue  
Toronto, Ontario

**Malibu Fabrics of Canada Limited**

377 Richmond Street  
Montreal, Quebec

### ENGLAND

**Exquisite Form Brassiere (Great Britain) Limited**

28/30 Market Place,  
Oxford Circus  
London, W. 1

### WEST GERMANY

**Exquisite Form Brassiere Limited G.m.b.H.**

Postfach 172  
Duisburg

### VENEZUELA

**Exquisite Form Brassiere de Venezuela, C.A.**

Apartado 1749  
Caracas

**Elasticos de Venezuela, C.A.**

Apartado 1749  
Caracas

### COLOMBIA

**Exquisite Form Brassiere de Colombia Ltda.**

Apartado Aereo 11865  
Bogota

### SPAIN

**Exquisite Form Espana S.A.**

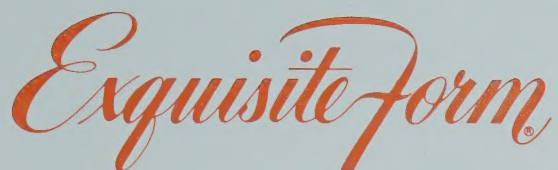
A. P. D. O. 14811, General Aranda 28  
Madrid

### UNITED STATES

**Exquisite Form Industries Inc. (Affiliated Company)**

14 Pelham Parkway, Pelham Manor  
New York, N.Y.





**BRASSIERE (CANADA) LIMITED**

215 Spadina Avenue, Toronto 2b, Ontario, Canada

**BOARD OF DIRECTORS**

JOHN S. GAIRDNER

GARSON REINER

JOSEPH H. GAYNE

STEPHEN R. REINER

J. HOWARD HAWKE

IRWIN SINGER

PHILIP P. HENRY

HARRY L. SOLOMON

BENJAMIN OREMLAND

**OFFICERS**

GARSON REINER ..... Chairman of the Board

HARRY L. SOLOMON ..... President

PHILIP P. HENRY ..... Vice-President

JOSEPH H. GAYNE ..... Vice-President and  
Secretary-Treasurer

IRWIN SINGER ..... Assistant Secretary-Treasurer

**TRANSFER AGENT AND REGISTRAR**

THE CANADA TRUST COMPANY  
Montreal, Toronto, Winnipeg, Vancouver

**AUDITORS**

WM. EISENBERG & CO.  
Chartered Accountants  
Toronto

**SOLICITORS**

SOLOMON, SINGER & SOLWAY  
Toronto

**LISTED**

The Series A First Preference Shares, the  
Common Shares and the Common Share  
Purchase Warrants are listed on the  
Toronto Stock Exchange.



